

CIA INTERNAL USE ONLY

19 March 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with the Department of State re
Daniels Bill - H.R. 770

State Dept. declassification & release instructions on file

1. Called Robert Hull, Department of State, to get a line on the Department's current thinking on keeping the Foreign Service retirement system in pace with possible liberalization of the Civil Service system through favorable action on the Daniels bill (H.R. 770). Hull said there had been numerous inquiries on this within the Department, but that their recommendation to date had been that further benefit liberalization be deferred until a program is approved to put the Foreign Service Retirement and Disability Fund on a sounder financial basis.
2. Hull estimated that the Fund will be going broke within six years. "Normal funding" for the Foreign Service Fund at present benefit levels equals a 29 percent contribution rate as contrasted to 14 percent for the Civil Service retirement fund. The Department is preoccupied with resolving this problem, but their proposals have not had a very receptive audience in the Bureau of the Budget. The only recent bright light in the picture is Treasury's agreement to increase the present 4 percent interest paid on Foreign Service Retirement Fund deposits to not less than one quarter of 1 percent less than the prevailing rate of return to the Treasury, similar to Treasury's agreement with Civil Service.
3. If the Department takes a position on the Daniels bill, Hull felt it would be in the omnibus retirement proposal he is now pulling together which deals primarily with increased survivorship benefits. He did not, however, discount the possibility of joining forces with us in some other legislative vehicle, perhaps the Daniels bill itself, if this became mutually advisable and an opportunity presented itself. We agreed to keep in touch.
4. I reminded Hull that my interest was only at the working level and that the Agency had not taken a position with respect to the Daniels bill, but that clearly a position would be imposed upon both the Agency and the Department if the Daniels bill was approved by virtue of the substantial benefit gap it would create between our systems and Civil Service.

STATINTL

SIGNED

Assistant Legislative Counsel

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Distribution:

Orig. - Subj.

1 - Mr. Warner

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Chrono

OEC/LLM:rw (25 Mar 69)

1. The purpose of this memorandum is to inform the President of the results of the investigation conducted by the Office of the Inspector General (OIG) into the activities of the Central Intelligence Agency (CIA) in the area of the recruitment and training of foreign agents. The investigation was conducted in accordance with the provisions of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-452).

2. The results of the investigation are as follows:

a. The CIA has been found to have engaged in the recruitment and training of foreign agents in violation of the provisions of the Intelligence Reform and Terrorism Prevention Act of 2004.

b. The CIA has been found to have engaged in the recruitment and training of foreign agents in violation of the provisions of the Intelligence Reform and Terrorism Prevention Act of 2004.

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